

SECRET PIVOT

MEMORANDUM FOR: [REDACTED]

25X1A9a

ATTENTION :

SUBJECT

[REDACTED] Request for Information on
China's Yuan-Dollar Exchange Rate

REFERENCE : Your memorandum 2974-L-2343, 19 June 58

NSA Declassification/Release Instructions on File

1. ORR still estimates the yuan-US dollar exchange rate to be 2.46 to 1. The Planned Economy's article on exchange rates which refers to a yuan-dollar rate of 2.617 to 1 is intriguing but is not necessarily reliable. All the rates between Free World currencies and the yuan that we have available indicate that China maintains a unitary exchange rate for telegraphic transfers with Western countries. This rate is the equivalent of 2.46 yuan to the US dollar. Most of the rates in the Planned Economy's article are in line with this. The sterling rate, however, is not and in fact appears to be a currency rather than a telegraphic transfer rate. The US dollar rate is also out of line but is probably not a currency rate, since the currency rate has been often reported at 2.36 yuan to the dollar. The 2.617 rate has been reported once before [REDACTED]

[REDACTED] It would appear, accordingly, that this rate does exist, but for some special purpose. This, nevertheless, seems to be insufficient evidence to justify acceptance of this rate in preference to a rate which is in line with other rates with Western countries.

2. However, it is believed that this rate is applicable only to China's trade with the Free World and that varying rates are used for trade with the Bloc. Thus, ORR is now using a system of multiple exchange rates, which will be explained in a paper to be forwarded to [REDACTED] when published in the near future.

S/TF/RR [REDACTED] H/2749 (1 July 58)
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